

AUDIT MEMO

SUBJECT: Financial Integrity and State Manager's Accountability Act Reporting Requirements	NO: 09-02
REFERENCES: State Administration Manual Section 20000 et seq. Government Code 13400 through 13407	DATE ISSUED: May 2009 Supersedes Audit Memos: 07-02, 05-01, 04-01, 01-02

PURPOSE: This memo reminds agencies about the reporting requirements of the Financial Integrity and State Manager's Accountability Act (FISMA).

BACKGROUND: Government Code Sections 13400 through 13407, known as the Financial Integrity and State Manager's Accountability Act of 1983 (FISMA), was enacted to reduce resource waste and strengthen controls. FISMA requires the head of each state agency to maintain effective systems of internal control, evaluate the effectiveness of these controls on an ongoing basis, and report on the adequacy of the agency's systems of internal control by December 31 of each odd-numbered year.

FISMA REPORTING REQUIREMENTS: State Administrative Manual (SAM) Section 20000 et seq. details FISMA requirements. SAM Section 20060 requires **all** state entities to submit a report during the biennial period ending December 31 of each odd-numbered year, concluding on the adequacy of controls in place within their organization.

Entities reporting to an Agency Secretary shall address and send the report to the Agency Secretary. Forward copies of the report to the Director of the Department of Finance (Director), the Legislature, the State Auditor, the Governor, and the State Library. Entities not reporting to an Agency Secretary shall address and send the report to the Director, with copies forwarded to the Legislature, the State Auditor, the Governor, and the State Library.

The reports are to be submitted electronically, as follows:

Director of Finance
Legislature
Bureau of State Audits
Governor's Office
State Library

FISMAhotline@dof.ca.gov
Katarina.Tarr@asm.ca.gov
MargaritaF@bsa.ca.gov
Paul.Feist@gov.ca.gov
RFontaine@library.ca.gov

No later than 30 days after the report is submitted, the agency shall provide the Director a corrective action plan for identified inadequacies and weaknesses. The corrective action plan shall be updated every six months until all corrections are complete. Guidance for the evaluation of internal control, required report components and corrective action plan template are available on our website at <http://www.dof.ca.gov/osae/fisma/>.

Please distribute this Audit Memo to the appropriate staff. For additional information, please contact Mary Kelly, Manager, at (916) 322-2985, or the FISMA hotline at FISMAhotline@dof.ca.gov.



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